

CDIAC Pre-Conference: Municipal Disclosure: Harnessing the Information Revolution

September 10, 2007

Presented by:
Leslie M. Norwood



Who We Are:

SIFMA represents the shared interests of more than 650 securities firms, banks and asset managers locally and globally through offices in New York, Washington D.C., and London. Its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

What We Do:

- ▶ Lead.
- ▶ Advocate.
- ▶ Educate.

Why We Do It:

The Securities Industry and Financial Markets Association's (SIFMA) mission is to champion policies and practices that benefit investors and issuers, expand and perfect global capital markets, and foster the development of new products and services. Fundamental to achieving this mission is earning, inspiring and upholding the public's trust in the industry and the markets.

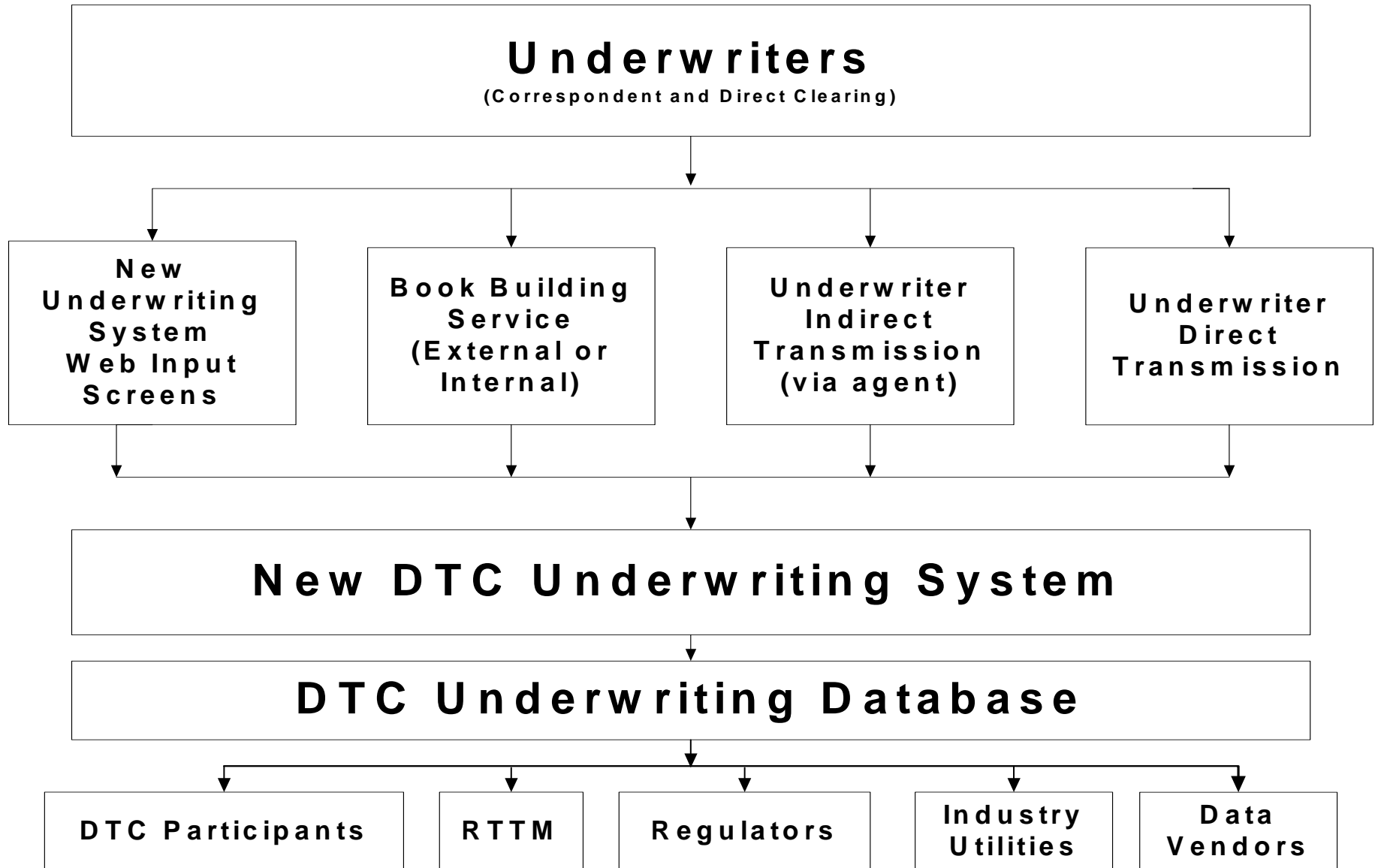
1. Ensure the public's trust in the securities industry and financial markets.
2. Encourage retirement savings and investment.
3. Promote effective and efficient regulation.
4. Facilitate more open, competitive and efficient global capital markets.

- Research Quarterly
- Municipal Bond Credit Report
- Middle-Market Dealer Report
- U.S. Market Outlook
- Electronic Trading Platforms Survey

1. New Issue Information Dissemination Project
(implementation of major new system at DTCC to aid in timely trade reporting and related MSRB rule changes)
2. Access Equals Delivery
(development of major new disclosure system at MSRB and related rule changes)
3. Improving Secondary Market Disclosure, including through involvement with the Muni Council and CPO

- ▶ New Service built by DTCC, in conjunction with its new underwriting system NUWS, to create a centralized and automated mechanism for the collection and dissemination of trade information in real time.
- ▶ Underwriters will send new issue information electronically to DTCC, as well as any follow-up adjusted information
- ▶ Once DTCC has all the required reporting information, it will send the data to information vendors, dealers and other market participants so they can confirm, clear and report trades in a timely and accurate fashion. DTCC will distribute updates in a real-time electronic format until settlement day.

Future New Issue Information Flow Paradigm



- ▶ Avoids re-keying due to Straight Through Processing (STP) from bookbuilding/running systems
- ▶ Automated regulatory compliance of MSRB Rule G-34
- ▶ Automated dissemination to vendors in real-time – Bloomberg, Interactive Data, S&P, etc.
- ▶ Facilitates faster processing of secondary market trades - Automated receipt of security data in real-time
- ▶ Facilitates faster eligibility application at DTCC

- ▶ April 2008 – DTCC requires NIIDS and NUWS for all underwritings
- ▶ June 2008 – MSRB mandates use of NIIDS pursuant to new revisions to MSRB Rule G-34

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Bond Markets & Prices

Bond Markets Defined

Municipal Market At-A-Glance

- Overview
- Ticker
- Indices - By Term
- Indices - By State
- Indices - By Type
- Indices - By Purpose
- Composite Yield Curves

Government Market At-A-Glance

Corporate Market At-A-Glance

MBS/ABS Market At-A-Glance

Municipal Market At-A-Glance

Show Me Municipal Price Data

Bonds Traded Today

State:

(Choose State) ▾

sort by:

Maturity ▾

Continue

Bonds Traded Yesterday

State:

(Choose State) ▾

sort by:

Issuer ▾

Continue

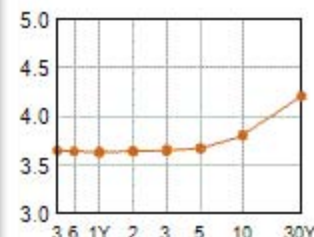
Bond History

Enter CUSIP numbers:

Continue

Terms and conditions

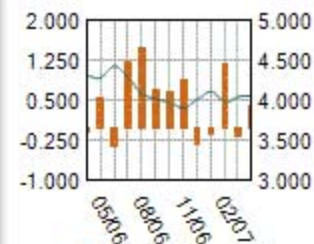
S&P AAA Composite Yields



Composite Yield
as of 06:00 May 16, 2007

source: [S&P](#) [See data](#)

S&P/Investortools Main Index



Total Return (%)
Ending Yield (%)
as of 06:05 May 16, 2007

source: [S&P](#) [See data](#)

10 Year Comparisons



MARKET HEADLINE NEWS

[BOND REPORT: 10-year
Treasury Yield Hits
One-month High After
Jobless Claims](#)

Morningstar.com May 17
2007 5:49PM GMT

[Bonds: 10-year yield
jumps on jobless data](#)

MarketWatch May 17 2007
5:47PM GMT

[Bonds extend losses on
manufacturing report](#)

CNN Money May 17 2007
5:46PM GMT

COMMENTARY AND ANALYSIS

[MMA Muni Outlook](#)

Apr 18 2007

[MMA Muni Outlook](#)

Mar 14 2007

[MMA Muni Outlook](#)

Feb 16 2007

[MMA Muni Outlook](#)

Jan 17 2007

[MMA Muni Outlook](#)

Dec 11 2006

[MMA Muni Outlook](#)

Nov 10 2006

[MMA Muni Outlook](#)

Oct 11 2006

[MMA Muni Outlook](#)

Sep 14 2006

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- Overview

► Ticker

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MBS/ABS Market At-A-Glance

Municipal Market At-A-Glance

Ticker

AS OF 5/17/2007 2:10:55 PM

Trade Time	Issuer Cusip	State	Coupon Maturity Date	Price Yield	Quantity
05/17/07 02:10:32	QUAD CITIES REGL ECO 74731RAA9	IL	12/01/31	100.000	300,000
05/17/07 02:07:00	NEW MEXICO ST SEVERA 647310E49 w/f	NM	4.000 07/01/12	101.040 3.770	250,000
05/17/07 02:10:00	LOS ANGELES CALIF UN 5446444J3	CA	4.000 07/01/11	101.564	50,000
05/17/07 02:07:00	PRINCE GEORGES CNTY 741701RU2	MD	5.000 12/01/15	108.200	250,000
05/17/07 02:10:28	SAN DIEGO ST UNIV FN 797455CF7	CA	5.000 03/01/32	103.969	50,000
05/17/07 01:05:00	NEW YORK ST DORM AUT 64982PSJ2	NY	100.000 01/15/30	100.000	1MM+
05/17/07 02:11:06	BEVERLY HILLS CALIF 088006DC2	CA	3.750 06/01/15	100.875 3.557	10,000
05/17/07 02:11:06	NEW YORK N Y 64966CNY3	CY	4.750 08/01/24	102.220 4.336	5,000
05/17/07 01:22:00	NEW YORK N Y 64966GBC5	CY	100.000 01/01/32	100.000	150,000
05/17/07 02:11:04	WESTERN VA REGL JAIL 95984RAX8	VA	4.250 06/01/39	98.750 4.322	20,000

source: [MSRB](#) & [S&P](#)

LEGEND

@ : Regular Trade

C : Cash Trade

Z : sold Late (Out of Sequence)

Space : No Special Sale Condition

Rv : Reversals

A/O : As/Of transactions

Trade Details for CUSIP: 6460387P8

RTNGS INS	ISSUER CUSIP	ST	COUPON MATURITY	CALL DATES	CALL PRICES	NOTES
AAA S AA3 M AA- F	NEW JERSEY ST 6460387P8	NJ	5.750 05/01/2020			<ul style="list-style-type: none"> ■ Non-taxable ■ Bond ■ Book entry only ■ Pre-refunded ■ 100.000

[Graph Trade Data](#) | [Search MuniStatements.com](#)

1 2 3

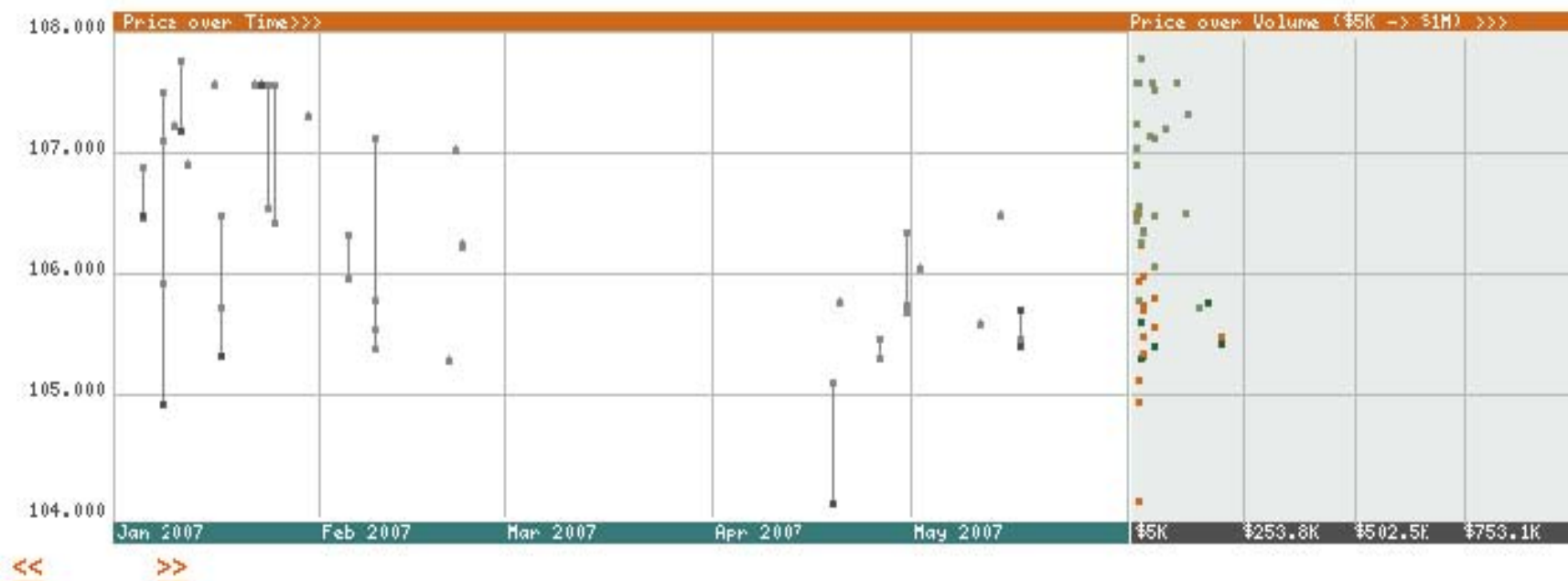
TRADE DATE TRADE TIME	PRICE	YIELD	SIZE	TRADE TYPE	MORE INFO
05/17/2007 14:11:28	105.717	3.681	150K	Sale to Customer	run calculations
05/17/2007 14:11:00	105.410	3.788	200K	Purchase from Customer	run calculations
05/17/2007 13:59:29	105.410	3.788	200K	Purchase from Customer	run calculations
05/17/2007 13:59:29	105.468		200K	Inter-dealer	run calculations
05/14/2007 14:31:31	106.494	3.420	120K	Sale to Customer	run calculations
05/11/2007 13:38:40	105.582	3.739	20K	Purchase from Customer	run calculations
05/02/2007 11:01:18	106.057	3.591	50K	Sale to Customer	run calculations
04/30/2007 12:13:27	105.746	3.710	170K	Purchase from Customer	run calculations
04/30/2007 11:03:36	106.349	3.498	25K	Sale to Customer	run calculations
04/30/2007	105.699		25K	Inter-dealer	run calculations



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Last Five Months of Activity for CUSIP: 6460387P8

The graph on the left below shows trades at prices according to the price scale on the left for each day. Darker color dots indicate more trades at that price. Grey vertical bars serve to align each day's trades. Use the double arrows to move the date range. The graph on the right plots trade price against trade volume. green represents dealer-to-customer; blue represents customer-to-dealer; and red represents interdealer transactions.



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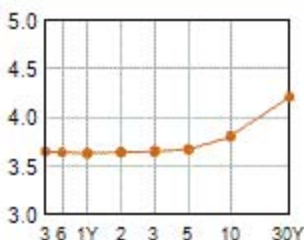
MBS/ABS Market At-A-Glance

Municipal Market At-A-Glance

Composite Yield Curves

By Rating

S&P AAA Composite Yields

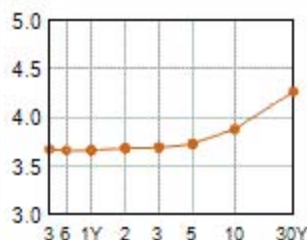


— Composite Yield
as of 06:00 May 16, 2007

source: [S&P](#), [See data](#)

By State

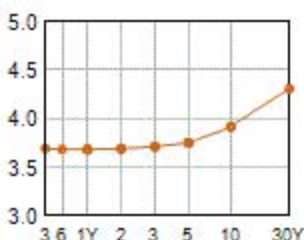
S&P Composite New York Yields



— Composite Yield
as of 06:00 May 16, 2007

source: [S&P](#), [See data](#)

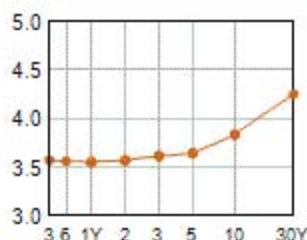
S&P Insured Composite Yields



— Composite Yield
as of 06:00 May 16, 2007

source: [S&P](#), [See data](#)

S&P Composite California Yields



— Composite Yield
as of 06:00 May 16, 2007

source: [S&P](#), [See data](#)

- ▶ Auction Rate Securities Best Practices/Model Documents/Model Disclosure
- ▶ Auction Rate Securities Indices (available, in addition to the SIFMA Municipal Swap Index, on www.sifma.org)

- ▶ System being developed by MSRB to replace MSIL
- ▶ Two MSRB Notices have already been issued and responded to
- ▶ Focus for SIFMA is improved access to information and efforts to improve efficiency

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